

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 4019

By: McBride of the House

and

**Alvord** of the Senate

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10                                   COMMITTEE SUBSTITUTE

11                   An Act relating to economic development; creating  
12                   investment rebate program until certain date;  
13                   providing qualifying criteria; requiring submission  
14                   of application; requiring the Oklahoma Department of  
15                   Commerce to approve or disapprove certain claims and  
16                   issue payment; limiting source of payments; making  
17                   payments contingent upon deposits to certain fund;  
18                   providing amount of rebate; authorizing conditional  
19                   pre-qualification; creating the Commerce  
20                   Manufacturing Activity Development Fund; establishing  
21                   fund procedures; providing sources of funds;  
22                   providing for expenditures from fund; directing  
23                   transfer of unencumbered fund upon certain date;  
24                   providing for codification; providing an effective  
                  date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1.           NEW LAW           A new section of law to be codified  
in the Oklahoma Statutes as Section 3647.1 of Title 68, unless there  
is created a duplication in numbering, reads as follows:

1 A. There is hereby created until July 1, 2030, an investment  
2 rebate program for the cost of qualified capital expenditures  
3 defined by Section 3645.3 of Title 68 of the Oklahoma Statutes, by  
4 establishments defined by Section 3645.3 of Title 68 of the Oklahoma  
5 Statutes, that:

6 1. Are defined or classified in the NAICS Manual under Industry  
7 Group No. 325120; and

8 2. Have acquired real property located within the boundaries of  
9 a municipality with a population between twenty thousand (20,000)  
10 and thirty thousand (30,000), according to the latest Federal  
11 Decennial Census, where the qualified capital will be located.

12 B. To be eligible for consideration for an investment rebate  
13 payment awarded under the provisions of this act, the establishment  
14 shall:

15 1. Submit an application and documentation to the Oklahoma  
16 Department of Commerce, as required by the Department, outlining a  
17 capital expenditure plan in this state associated with qualified  
18 capital expenditures totaling no less than Eight Hundred Million  
19 Dollars (\$800,000,000.00);

20 2. Have made qualified capital expenditures of no less than  
21 twenty percent (20%) of the capital expenditure plan outlined in the  
22 application submitted by the primary establishment and approved by  
23 the Oklahoma Department of Commerce, pursuant to the provisions of  
24 this act; and

1           3. Have filed all Oklahoma tax returns and tax documents  
2 required by law.

3           C. Notwithstanding any other provision of law, no investment  
4 expenditure shall be utilized for calculation purposes that results  
5 in the qualification of more than one establishment under the  
6 provisions of this act, for investment rebate payments based on the  
7 same expenditure.

8           D. 1. The Oklahoma Department of Commerce shall approve or  
9 disapprove claims for rebates and shall issue payment for all  
10 approved claims from funds held in the Commerce Manufacturing  
11 Activity Development Fund created in Section 2 of this act.

12           2. The Department shall disapprove all applications and claims  
13 or any portion of applications and claims for rebates that would  
14 exceed the balance of available funds in the Commerce Manufacturing  
15 Activity Development Fund.

16           3. The total amount of applications approved and investment  
17 rebate payments awarded under the provisions of this act shall not  
18 exceed the total amount of monies designated by law for deposit to  
19 the Commerce Manufacturing Activity Development Fund.

20           E. 1. Subject to the approval and ongoing review of the  
21 eligibility application by the Oklahoma Department of Commerce, the  
22 investment rebate payment authorized by this act shall be equal to  
23 six and twenty-five hundredths percent (6.25%) of the cost of the  
24 qualified capital expenditure in the year of expenditure.

1           2. The Department is authorized to conditionally pre-qualify  
2 and account for anticipated future investment rebate payments. The  
3 Oklahoma Department of Commerce shall not pre-qualify investment  
4 rebate payments, encumber funds, pre-encumber funds, or otherwise  
5 allocate resources that would result in the allocation of investment  
6 rebate payments in excess of the balance of available funds in the  
7 Commerce Manufacturing Activity Development Fund.

8           SECTION 2.           NEW LAW           A new section of law to be codified  
9 in the Oklahoma Statutes as Section 3647.2 of Title 68, unless there  
10 is created a duplication in numbering, reads as follows:

11           A. There is hereby created in the State Treasury a fund for the  
12 Oklahoma Department of Commerce to be designated the "Commerce  
13 Manufacturing Activity Development Fund". The fund shall be a  
14 continuing fund, not subject to fiscal year limitations, and shall  
15 consist of all monies designated for deposit to the fund by law.  
16 All monies accruing to the credit of the fund are hereby  
17 appropriated and may be budgeted and expended by the Department for  
18 the purpose of paying rebates as provided in this act. Expenditures  
19 from such fund shall be made upon warrants issued by the State  
20 Treasurer against claims filed as prescribed by law with the  
21 Director of the Office of Management and Enterprise Services for  
22 approval and payment.

23           B. All unencumbered funds remaining in the Commerce  
24 Manufacturing Activity Development Fund upon January 1, 2030, shall

1 be transferred to the State Treasurer for deposit in the General  
2 Revenue Fund.

3 SECTION 3. This act shall become effective July 1, 2024.

4 SECTION 4. It being immediately necessary for the preservation  
5 of the public peace, health or safety, an emergency is hereby  
6 declared to exist, by reason whereof this act shall take effect and  
7 be in full force from and after its passage and approval.

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9 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
10 02/26/2024 - DO PASS, As Amended and Coauthored.

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